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Hearing Time: 10:00 a.m. (Prevailing Eastern Time)

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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In re	:	Chapter 11
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DELPHI CORPORATION, <u>et al.</u> ,	:	Case No. 05-44481 (RDD)
	:	
Debtors.	:	(Jointly Administered)
	:	
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DEBTORS' STATEMENT OF DISPUTED ISSUES WITH RESPECT TO
PROOF OF CLAIM NUMBER 2548 (PBR AUSTRALIA PTY LTD.)

("STATEMENT OF DISPUTED ISSUES – PBR AUSTRALIA PTY LTD. AND SPECIAL
SITUATIONS INVESTING GROUP INC.")

Delphi Corporation and certain of its subsidiaries and affiliates, including Delphi Automotive Systems LLC ("DAS LLC"), debtors and debtors-in-possession in the above-captioned cases (collectively, the "Debtors"), hereby submit this Statement Of Disputed Issues (the "Statement Of Disputed Issues") With Respect To Proof Of Claim Number 2548 filed by PBR Australia Pty Ltd. ("PBR Australia") and subsequently transferred to Special Situations Investing Group Inc. ("SSIGI," and together with PBR Australia, the "Claimants") and respectfully represent as follows:

Background

1. On October 8 and 14, 2005 (the "Petition Date"), the Debtors filed voluntary petitions under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101-1330, as then amended, in the United States Bankruptcy Court for the Southern District of New York.
2. On April 4, 2006, PBR Australia filed proof of claim number 2548 (the "Proof of Claim") against DAS LLC. The Proof of Claim asserts an unsecured non-priority claim in the amount of \$562,192.18 for the sale of goods (the "Claim").
3. On July 19, 2006 and September 26, 2006, PBR Australia made partial transfers of the Proof Of Claim to SSIGI (Merrill Lynch Credit Products, LLC) pursuant to notices of transfer (Docket Nos. 4613 and 5193).
4. On July 13, 2007, the Debtors objected to the Proof of Claim pursuant to the Debtors' Nineteenth Omnibus Objection (Substantive) Pursuant To 11 U.S.C. § 502(b) And Fed. R. Bankr. P. 3007 To Certain (A) Insufficiently Documented Claims, (B) Claims Not Reflected On Debtors' Books And Records, (C) Untimely Claim, And (D) Claims Subject To Modification, Tax Claims Subject To Modification, Modified Claims Asserting Reclamation, And Consensually Modified And Reduced Claims (Docket No. 8617).

5. On August 8, 2007, PBR Australia filed its Response Of PBR Australia Party Ltd. To Debtors' Nineteenth Omnibus Objection (Substantive) Pursuant To 11 U.S.C. § 502(B) And Fed. R. Bankr. P. 3007 To Certain (A) Insufficiently Documented Claims, (B) Claims Not Reflected On Debtors' Book And Records, (C) Untimely Claim, And (D) Claims Subject To Modification, Tax Claims Subject To Modification, Modified Claims Asserting Reclamation, And Consensually Modified And Reduced Claims (Docket No. 8939) (the "Response").

Disputed Issues

A. DAS LLC Does Not Owe Claimant The Amount Asserted In the Proof of Claim

6. PBR Australia asserts in the Proof of Claim that DAS LLC owes PBR Australia a total of \$562,192.18 for goods sold. DAS LLC has reviewed the information attached to the Proof of Claim and the Response and disputes that it owes the amount asserted in the Proof of Claim.

7. Price Adjustments on Previously Paid Invoices. The prices detailed on certain purchase orders are lower than the price detailed on invoice numbers 87032, 87182, 87192, and 89061. The purchase orders reflect the contractual pricing. Therefore, \$10,227.92 should be subtracted from the amount of the Proof of Claim.

8. Exchange Rate Adjustment. After reviewing the Proof of Claim, DAS LLC determined that the exchange rate used on the Proof of Claim for conversion from Australian to U.S. dollars was .73320 and the exchange rate used on DAS LLC's reconciliation was .75670, leaving a net difference of .02350. Therefore, \$18,018.98 should be added back into the Proof of Claim.

9. Obsolescence Claim. PBR Australia asserts that it is owed \$191,414.90 for an obsolescence claim for calipers that it produced for, but allegedly never shipped to, DAS LLC. PBR Australia sells, among other things, P-90 calipers to DAS LLC. With respect to the P-90 calipers, DAS LLC's records show that its Saginaw plant received a much higher quantity of P-90 calipers than what PBR Australia was required to ship — 64,000 sets versus 62,320 sets. PBR Australia asserts, however, that it only shipped 20,957 sets to DAS LLC — a three-to-one variance. DAS LLC has repeatedly asked PBR Australia for data to support its Claim as to the amount of P-90 calipers shipped to DAS LLC but PBR Australia has not provided any data to substantiate its Claim. DAS LLC's system authorizes payment upon receipt of parts. DAS LLC's system shows receipt and payment of 43,000 more sets of P-90 calipers for which it paid PBR Australia. PBR Australia has also not provided data to account for the payment it received from DAS LLC for the 43,000 parts that it asserts it never shipped to DAS LLC. Therefore, \$191,414.90 should be subtracted from the amount of the Proof of Claim.

10. After taking into account the above-referenced deductions to the Proof of Claim, the Debtors reconciled the Proof of Claim as illustrated in the following chart:

<u>Claimant's Asserted Amount</u>		\$562,192.18
<u>Modifications</u>	Price Adjustments on Previously Paid Invoices	(\$10,227.92)
	Translation Adjustment	\$18,018.98
	Obsolescence Claim	(\$191,414.90)
<u>Reconciled Amount</u>		\$39,766.37 ¹

¹ DAS LLC has approved \$338,801.98 of the asserted amount with respect to SSIGL.

11. DAS LLC does not dispute the remaining \$39,766.37 of the Claim and requests that the Claim be reduced to a general unsecured non-priority claim against DAS LLC in an amount not to exceed \$378,568.35.

Reservation Of Rights

12. This Statement Of Disputed Issues is submitted by the Debtors pursuant to paragraph 9(d) of the Order Pursuant To 11 U.S.C. § 502(b) And Fed. R. Bankr. P. 2002(m), 3007, 7016, 7026, 9006, 9007, And 9014 Establishing (i) Dates For Hearings Regarding Objections To Claims And (ii) Certain Notices And Procedures Governing Objections To Claims (Docket No. 6089) (the "Claims Objection Procedures Order"). Consistent with the provisions of the Claims Objection Procedures Order, the Debtors' submission of this Statement Of Disputed Issues is without prejudice to (a) the Debtors' right to later identify and assert additional legal and factual bases for disallowance, expungement, reduction, or reclassification of the Claim and (b) the Debtors' right to later identify additional documentation supporting the disallowance, expungement, reduction, or reclassification of the Claim.

WHEREFORE the Debtors respectfully request that this Court enter an order (a) reducing the Proof of Claim to a general unsecured non-priority claim against DAS LLC in an amount not to exceed \$378,568.35, and (b) granting the Debtors such other and further relief as is just.

Dated: New York, New York
December 13, 2007

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